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TAGS: [PREL](#) [PHUM](#) [PGOV](#) [EAID](#) [KDEM](#) [RS](#)
SUBJECT: AMBASSADOR DISCUSSES U.S. FUNDING OF NGOS WITH DFM
YAKOVENKO

Classified By: Ambassador William J. Burns.
Reasons 1.4 (b and d).

¶1. (C) SUMMARY: U.S. assistance is intended to help Russia develop its governing institutions and not to interfere in Russian partisan politics, the Ambassador told DFM Aleksandr Yakovenko during a May 4 meeting. Yakovenko said that the State Department's Supporting Human Rights and Democracy report had taken many in the GOR by surprise and was seen by some as a specific instruction for the U.S. to intervene in upcoming elections. The Ambassador emphasized that that was a fundamental misreading of the report. The Ambassador noted our concerns about the recent raid on Internews/the Educated Media Foundation and reiterated the need to resolve the issue quickly and positively. In noting the potential bilateral gains in U.S. assistance, the Ambassador said that the U.S. was trying to align some of its modest assistance with the National Priority Projects. Yakovenko said MFA continued to study how the GOR would structure its own foreign assistance programs and was interested in further discussions with the USG, including during his upcoming trip to the U.S. in the fall. END SUMMARY.

U.S. ASSISTANCE

¶2. (C) In a meeting with DFM Yakovenko to discuss U.S. assistance to Russia, the Ambassador said that reactions to the State Department's Supporting Human Rights and Democracy Report and press reporting had mischaracterized the objectives and obscured the facts on U.S. aid. In FY2007, only a relatively small part of the USD 28 million assistance budget would be spent directly on political institution-building in Russia. Those activities were intended to help develop democratic institutions and were undertaken with full transparency in conjunction with properly registered Russian NGOs and in full compliance with Russian law, the Ambassador emphasized. The intent was to provide the benefit of U.S. experience, not to try to influence elections. Much of the rest of U.S. assistance went toward promoting exchanges and other activities, such as professional training, not at all related to politics. The Ambassador also said that if there were any questions about U.S. programs or the NGOs it supported, he would be ready to discuss them at anytime.

¶3. (C) Yakovenko said that the Supporting Human Rights and Democracy report surprised many in the GOR, who read it as an explicit statement of U.S. intent to intervene in Russia's domestic affairs. With Duma and presidential elections approaching, the report's release had exacerbated Russian sensitivities. It begged the question of Washington's intentions, he said. If the report was not intended as a statement of U.S. interests in changing Russia's government, then it was poorly phrased. He added that there had been no statement in the report that U.S.-funded activities were to be undertaken in compliance with the laws of the host

country, an absence that had been noticed. Welcoming the Ambassador's explanation, Yakovenko suggested that the U.S. carefully consider funding of NGOs involved in any political activities and be mindful of how such activities could be perceived. U.S. work with organizations such as the Russian Foundation for Free Elections was helpful in showing the U.S. was balanced and not partisan in the organizations it supported, he noted. The Ambassador said we were unapologetic about our programs or our commitment to democratic institution-building, but we would not do anything to violate Russian law or to engage in partisan politics.

INTERNEWS/EMF

14. (C) Turning to Internews/Educated Media Foundation (EMF), the Ambassador repeated our concerns that law enforcement agencies had overreacted in raiding the NGO and seizing equipment it needed to operate over customs violations. Internews/EMF had acknowledged the violation and was deliberately avoiding publicizing the issue in hopes of getting it resolved. The Ambassador noted the need to resolve it quickly to avoid it becoming a bilateral irritant. The longer it continued, without clarification from the Ministry of Internal Affairs on how the raid related to a relatively minor customs violation, the more it would appear to us that the GOR was seeking to close the NGO. Yakovenko promised to inquire on the status of the case, and to try to get back to the Ambassador quickly with a clear explanation.

ALIGNING U.S. AID AND RUSSIAN OBJECTIVES

15. (C) The U.S. was increasingly looking for opportunities

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to align some of its small, remaining aid projects with the GOR's National Projects, the Ambassador said. He suggested further discussions on how the modest U.S. assistance package could support the GOR's objectives in improving housing and social services for Russian citizens. The Embassy was working with the staff of First Deputy Prime Minister Medvedev in organizing a seminar on home mortgages, and it was working with others in the GOR to use available funding to expand exchanges in education and health care.

RUSSIAN THINKING ON ITS FOREIGN AID

16. (C) Yakovenko said that the MFA was considering how best to structure the GOR's fledgling foreign aid programs. Various options were being discussed, including whether to create a small office within the MFA, to create a separate agency, or to fund a development bank. For now, most of Russia's aid would continue to go through international organizations, particularly UN agencies. Although Russian contributions were modest compared to other developed countries, they would be increasing in line with economic growth, Yakovenko said. FM Lavrov was interested in developing public-private partnerships, and he had discussed the issue with about 25 of the largest Russian companies, Yakovenko added. The companies were interested, especially as their global presence expanded. The Ambassador suggested that the U.S. could be helpful and that the GOR could benefit from its experience. Yakovenko said that he planned to be in New York in the fall for the UNGA, and that he would consider a trip to Washington to discuss the issue with USG officials and private-sector representatives.

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